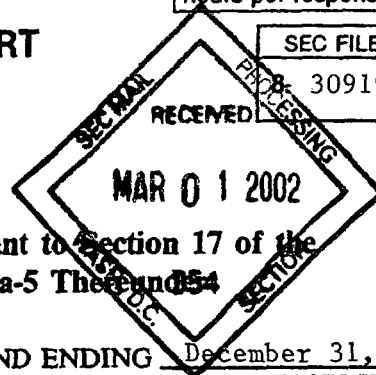




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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	September 30, 1998
Estimated average burden hours per response . . .	12.00
SEC FILE NUMBER	
30919	



## FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING January 1, 2001 AND ENDING December 31, 2001  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Altura, Nelson &amp; Co., Incorporated

OFFICIAL USE ONLY

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

18 Crow Canyon Court, Suite 350

(No. and Street)

San Ramon

(City)

California

(State)

94583

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Shelley G. Altura

(925) 831-0600

(Area Code — Telephone No.)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

PricewaterhouseCoopers LLP

(Name — if individual, state last, first, middle name)

333 Market Street

(Address)

San Francisco

(City)

CA

(State)

94105

Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 14 2002

FOR OFFICIAL USE ONLY

THOMSON  
FINANCIAL

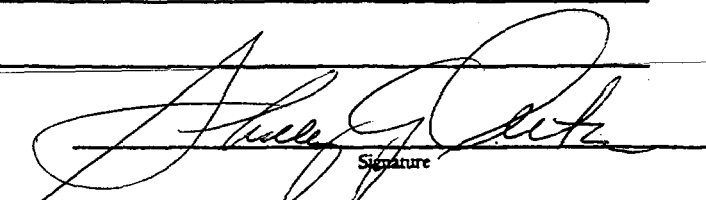
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

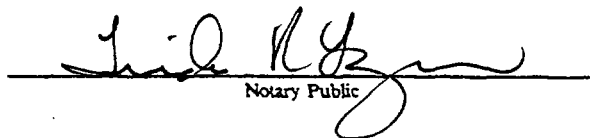
## OATH OR AFFIRMATION

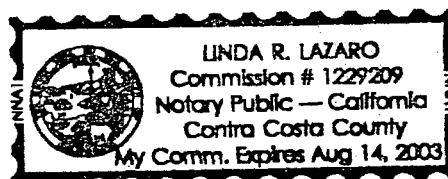
I, Shelley G. Altura, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Altura, Nelson & Co., Incorporated, as of December 31, ~~XX~~ 2001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

N/A

Subscribed and sworn to before me this  
25th day of February, 2002

  
\_\_\_\_\_  
Signature  
Chief Executive & Financial and  
Operations Principal

  
\_\_\_\_\_  
Notary Public



This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent Auditors' Report on Internal Control Structure Required by SEC Rule 17a-5

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**Altura, Nelson & Co.,  
Incorporated**

**Statement of Financial Condition  
December 31, 2001**



**Report of Independent Accountants**

To the Board of Directors and Stockholders of  
Altura, Nelson & Co., Incorporated

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of Altura, Nelson & Co., at December 31, 2001, in conformity with accounting principles generally accepted in the United States of America. This financial statement is the responsibility of the Company's management; our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this statement in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, and evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

*PricewaterhouseCoopers LLP*

February 19, 2002

**Altura, Nelson & Co., Incorporated**  
**Statement of Financial Condition**  
**December 31, 2001**

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**Assets**

Cash and cash equivalents	\$ 350,096
Receivable from clearing broker	161,743
Prepaid expenses and other assets	76,185
Fixed assets, net	<u>16,361</u>

Total assets	<u>\$ 604,385</u>
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**Liabilities and Stockholders' Equity**

**Liabilities:**

Accounts payable and accrued expenses	\$ 62,393
Deferred tax liabilities	<u>5,240</u>

Total liabilities	<u>67,633</u>
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**Commitments (Note 5)**

**Stockholders' equity:**

Common stock, no par value, 100,000 shares authorized; 1,250 shares issued and outstanding	240,000
Retained earnings	<u>296,752</u>

Total stockholders' equity	<u>536,752</u>
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Total liabilities and stockholders' equity	<u>\$ 604,385</u>
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**Altura, Nelson & Co., Incorporated**  
**Notes to Statement of Financial Condition**  
**December 31, 2001**

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**1. Organization and Description of Business**

Altura, Nelson & Co., Incorporated (the "Company"), a California corporation, is a broker-dealer registered with the Securities and Exchange Commission ("SEC"), and is a member of the National Association of Securities Dealers, Inc. ("NASD"). The Company renders broker-dealer services related to the sale and underwriting of municipal bonds and provides financial advice to municipalities. As such, the Company is dependent upon this specific market segment. All securities transactions are cleared through another broker-dealer on a fully-disclosed basis.

**2. Summary of Significant Accounting Policies**

**Cash equivalents**

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

**Receivable from clearing broker**

Receivable from the clearing broker represents gross underwriting income earned for transactions settling in December 2001 but paid in January 2002.

**Fixed assets**

Fixed assets include furniture and equipment and are stated at cost less accumulated depreciation. Depreciation of furniture and equipment is computed using the straight-line method over an estimated useful life of five years.

**Financial instruments**

The company does not enter into forwards, swaps, futures or other derivative product transactions that result in off-balance sheet risk. The carrying amounts of other financial instruments recorded in the statement of financial condition (which include cash, receivables and payables) approximate fair value at December 31, 2001.

**Income taxes**

The Company's method of accounting for income taxes is an asset and liability approach. The asset and liability approach requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

**Altura, Nelson & Co., Incorporated**  
**Notes to Statement of Financial Condition**  
**December 31, 2001**

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**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

**3. Regulatory Requirement**

The Company is subject to the SEC's Uniform Net Capital Rule ("SEC Rule 15c3-1"), which requires the maintenance of minimum net capital, as defined, equal to the greater of \$100,000 or 6 2/3% of aggregate indebtedness, as defined. SEC Rule 15c3-1 also requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. At December 31, 2001, the Company had net capital of \$449,446, which was \$349,446 in excess of its required net capital of \$100,000. The Company's ratio of aggregate indebtedness to net capital was 0.14 to 1.

All customer transactions are cleared through another broker-dealer on a fully disclosed basis and as such the Company is exempt from the provisions of SEC Rule 15c3-3.

**4. Profit Sharing Plan**

Effective January 1, 1985, the Company adopted a profit sharing plan ("the Plan") which covers substantially all of the Company's employees who meet age and service requirements.

Contributions to the Plan are made at the discretion of the Board of Directors and are allocated to eligible employees based on compensation. During fiscal 2001, the Board of Directors did not authorize a contribution to the plan.

**Altura, Nelson & Co., Incorporated**  
**Notes to Statement of Financial Condition**  
**December 31, 2001**

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**5. Commitments**

The Company leases office space and certain equipment under noncancelable operating leases which expire through 2003. At December 31, 2001, future minimum rental payments related to these noncancelable operating leases are as follows:

For the year ending December 31,	
2002	\$ 73,791
2003	75,692
2004	64,327
2005 and thereafter	-
	<hr/>
	<u>\$213,810</u>